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April 10, 2003

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Burbank Terminal Put in Holding Pattern

By Caitlin Liu
Times Staff Writer

March 27, 2003

After years of contention, the Burbank City Council has voted to suspend efforts toward building a new terminal for Burbank Airport until possibly 2005, when the Federal Aviation Administration is expected to decide whether the airfield could adopt nighttime flight curfews to reduce noise.

"It's time to take a step back away from the airport," Vice Mayor Stacey Murphy said Wednesday.

But by the time the FAA renders a decision on curfews, Murphy acknowledged, the issue of a new terminal may be moot.

Last month, FAA Administrator Marion C. Blakey -- appearing exasperated by the years of litigation and political fighting that have immobilized the terminal project -- told local officials that they had 60 days to decide whether to build a terminal, or return more than \$40 million to the FAA.

The money has already been used by the Burbank-Glendale-Pasadena Airport Authority to help fund the purchase of a 130-acre parcel adjacent to the airport, a portion of which was to be the new terminal site.

The FAA deadline is now a month away.

One way to repay the FAA is to sell part or all of the land, airport officials said.

Many said they believe that selling the land would kill the terminal project because other nearby parcels would not be feasible.

Burbank Mayor David Laurell said the city would help the airport find ways to lease the land.

But airport commissioners said they doubted that that would generate enough money to repay the FAA.

Tuesday night's vote by the Burbank City Council is the latest twist in the saga over the airport's terminal replacement project.

Last November, airport commissioners voted to drop their two-decade effort to build the larger terminal because they believed there was too much community opposition.

But Burbank officials pushed to revive the project, saying they believed the FAA would be more likely to permit flight curfews -- something long sought by Burbank voters -- if a new and safer terminal could be built in exchange.

In a Washington meeting last month, Blakey told a local delegation -- which included officials from Burbank, Pasadena and Glendale -- that the FAA considered curfews and a new terminal to be separate matters.

Now, the ball is essentially back in the court of the airport authority. "If we don't come up with a plan, we'll have to give the money back to the FAA," said Charles Lombardo, vice president of the authority.

Authority President Chris Holden said he plans to ask the FAA for more time so that the city can put the matter to residents for a vote "to bring some resolution to this sooner rather than later."

A Burbank law, Measure B, requires voter approval for a new terminal to be built.

But airport Commissioner John Crowley said he viewed Burbank's vote as "quiet assent" for the authority to go ahead and sell the land.

"We should seek to sell the property," Crowley said.

Airport commissioners said they would not make any decisions until they meet again. Their next meeting is April 7.

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From: "Stephen Irwin" <stepheni@cwnet.com>
To: "CAA: Airport News" <airport@californiaaviation.org>
Date: 3/26/03 6:37PM
Subject: CAA: Airport News, "National Guard ordered back to LAX"

Wednesday, March 26, 2003

Calif. governor orders Guard to LAX
By Hil Anderson
United Press International

LOS ANGELES, (UPI) -- National Guard troops equipped with Humvees will begin patrolling the outskirts of Los Angeles International Airport this week in a move ordered by the state's governor to increase security at the nation's third-busiest airport.

Calling LAX a "California landmark," Gov. Gray Davis said Tuesday the airport was both a vital component of the state's economy and a likely target for terrorists, particularly with the war between the United States and Iraq reaching a pinnacle.

"LAX is not just a California landmark; it's an international gateway essential to the commerce that sustains us," Davis said in a conference call. "California will continue to use every resource at our disposal to keep our citizens safe and secure, including the National Guard. Keeping Californians safe is job No. 1."

A platoon of Guard troops will begin their stint at LAX on Thursday. Unlike the Guard's deployment to airports after Sept. 11, 2001, their primary duty will be roving patrols around the perimeter of the airport in Humvees, and manning security perimeter checkpoints; the Guard will not be inside the LAX buildings, however, unlike following Sept. 11 when they maintained a high-profile presence inside the terminals.

"This mission is designed to protect the integrity of the airport, not activity within the terminals," Davis said. "Federal and city officials will continue their roles in the passenger screening and terminal checkpoint areas."

Mayor James Hahn formally asked Davis last weekend to post the Guard at the airport. While there was no apparent immediate threat to the facility, LAX is considered by state officials to be the most likely place in all of California to be hit by terrorists.

The airport was the target of an actual terrorist operation scheduled to occur during the millennium New Year's celebrations. The plot by an Algerian militant Islamic group was foiled in late 1999 when Ahmed Ressam was arrested at a border crossing in Washington driving a car with its trunk loaded with explosive bomb-making materials.

Davis said the Guard would remain at LAX for as long as the national threat condition was at orange.

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From: "Stephen Irwin" <stepheni@cwnet.com>
To: "CAA: Airport News" <airport@californiaaviation.org>
Date: 3/27/03 3:09AM
Subject: CAA: Airport News, "Long Beach, California airport faring well"

Wednesday, March 26, 2003

L.B. Airport faring well

Travel: JetBlue, others say they won't cut schedules despite nation flying less.

By Felix Sanchez

The Long Beach (CA) Press-Telegram

As domestic airlines struggle with increasing numbers of travelers afraid to fly because of the Iraq war and possible terrorist attacks prompting some to drop flights and forecast layoffs airlines at Long Beach Airport say so far they are bucking the trend.

Yes, passengers have been slightly fewer in recent weeks but not enough that service into and out of Long Beach Airport will be affected, an official said.

JetBlue Airways, the airport's major tenant with 22 daily takeoffs and landings, is maintaining its passenger numbers so far but advance bookings are down, said spokesman Gareth Edmondson-Jones.

"Yes, there's some softening but nothing unexpected," Edmondson-Jones said. "We're on a day-to-day basis. It's week one. We'll see what happens in week two' of the war. "There are no plans to reduce capacity or anything."

JetBlue continues to increase service out of Long Beach, its designated West Coast hub, confirming it is still on target to begin new daily flights in early May from here to Atlanta, the low-fare carrier's first dip into the South since starting daily service out of Long Beach in 2001.

JetBlue last week also announced new nonstop service between New York City's JFK International its East Coast hub of operations and San Diego.

America West Airlines had a "healthy March," according to spokeswoman Janice Monahan. "This past weekend in particular, we had strong passenger loads systemwide. We have not seen a significant impact on bookings that can be directly attributed to the war. Also, at this time, we have not made any changes to our flight schedule as a result of the war."

Tim Wagner, an American Airlines spokesman, said American has not cut domestic capacity out of Long Beach and will be monitoring future bookings closely. American also has set up a "comfort policy" to give customers flexibility in future travel.

Horizon Air has no plans to change service in Long Beach and so far in March, passenger loads have been strong because of spring break fliers, said Cheryl Temple, Horizon public affairs manager.

"Horizon is doing well in Long Beach," Temple said, although she added the city is unusual because of the higher percentage of business travelers who

use the airport and Horizon.

Airport spokeswoman Sharon Diggs- Jackson said February is typically a slow month for airlines. According to load factor reports for February, JetBlue leads the four carriers who operate at Long Beach with an average of 75 percent.

The load factor is the percentage of a plane's total passenger seats that are filled.

Horizon Air, which recently began regional jet service to Seattle, operated with a 69 percent load factor, followed by American Airlines with 65 percent and America West with 62 percent.

For February, 176,913 passengers used departing or arriving flights at the airport. So far this year, 380,500 have used the facility, Diggs-Jackson said.

Travel agents around the country and Southern California say that the people who appear to be shying away from booking flights are those who don't normally travel much. Business travelers and frequent fliers seem to be keeping up their habits.

Delta Air Lines, Continental Airlines and Northwest Airlines have announced they would be cutting operations, including domestic and international flights, to offset the drop in passengers. Northwest is also laying off 5,000 people. These airlines do not fly from Long Beach.

United Airlines and American Airlines also have trimmed schedules at some airports.

For those flying JetBlue, which offers all of its passengers live television at each seat, there is an intense interest in watching war coverage, at least according to anecdotal information.

JetBlue CEO David Neeleman flew JetBlue over the weekend and reported nearly all the passengers were watching MSNBC's war coverage, Edmondson- Jones said.

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From: "Stephen Irwin" <stepheni@cwnet.com>
To: <airport@californiaaviation.org>
Date: 3/22/03 1:14AM
Subject: CAA: Airport News, "Aviation facing another blow"

Friday, March 21, 2003

Aviation facing another blow
AIRPORTS: A HIT TO ECONOMY COULD DELAY EXPANSION PLANS
By Rodney Foo
The San Jose (CA) Mercury News

With dire predictions that the nation's airlines will lose billions of dollars from war in Iraq, the nation's airports will suffer a corresponding financial blow that could delay building programs, force hiring freezes and even layoffs, aviation experts warn.

A prolonged war could postpone major expansion of Mineta San Jose International Airport. Runway expansion at San Francisco and Chicago's O'Hare airports could be threatened. Expansion at Oakland International Airport already has been delayed by a weakened airline industry.

Airport officials say they can only hope the war ends swiftly and triumphantly for U.S. forces, so the economic hit to airports might be minimal.

"The key is, how long does it last?" said Ralph Tonseth, San Jose airport director. "If it drags on for a long time, then I think we've got the Air Transport Association's 'perfect storm' scenario."

That scenario laid out last week by the airline trade association predicted the nation's largest passenger carriers would likely lose \$4 billion in the wake of a war, and perhaps as many as 2,200 daily flights and 70,000 jobs, which would mirror the downsizing the airline industry suffered after the Sept. 11 terrorist attacks.

It is a sobering picture for airports that rely heavily on revenue generated by the airlines through airport taxes and fees. Fewer passengers also mean cuts in lucrative parking and concession revenues.

"Obviously, the industry is very concerned about the potential impacts of the war," said Spencer Dickinson, an executive with the American Association of Airport Executives. "In terms of the impact on travel, it could be significant if it's a long-term military action."

High jet-fuel costs

Since the Sept. 11 attacks, the airlines have lost \$18 billion, analysts estimate, and they now face some of the highest-ever jet-fuel costs.

In the aftermath of the Gulf War in 1991, the airline industry lost \$13 billion, seven airlines filed for bankruptcy protection and 25,000 jobs were cut in an economic shakedown that lasted four years. Passenger traffic lagged for more than eight months following the one-month war.

Any downturn caused this time by the war in the Persian Gulf region would not halt the first phase of planned expansion at the San Jose airport -- the \$241 million north concourse.

"That's locked," Tonseth said.

Airport officials are scheduled to ask for the council's approval in two weeks to seek \$100 million in low-interest, short-term loans to start the project this summer. That debt will be paid off when bonds are sold to finance the entire project.

But a protracted war could postpone the rest of the expansion, which ultimately will be based on service demands, he said.

"If it goes on and there is a negative impact," Tonseth said of the war, "we'll have to look at the phases beyond the north concourse."

The airport's bond rating remains unchanged at an A rating, according to Standard & Poor's.

In a report in the fall, however, S&P said uncertainties regarding the San Jose airport's large capital improvement plans could affect debt-coverage levels and result in higher airport costs that could force a "decline of the airport's credit quality."

That's what happened to San Francisco International Airport, which approved dramatic expansion of its terminals and roadways in the 1990s. The San Francisco airport now has about \$4 billion in debt and must charge airlines some of the highest fees in the country to help cover its expenses. The airport has a negative outlook for the next two years, according to S&P.

Budget cuts likely

No matter how long the war lasts, it will almost certainly force airports to pare their budgets. In this lagging economy, it's highly unlikely that airports would raise their fees to airlines, said Robert Shumsky, a University of Rochester professor who studies the aviation industry.

"The danger is the higher the rates, the less attractive your airport looks," Shumsky said. "In the long run, you drive away your customers and you're collecting less fees."

In the early 1990s, when American Airlines curtailed operations at San Jose, the airport responded by freezing hiring, redeploying workers and postponing or reducing the scale of programs and construction, Tonseth said.

Without raising fees, the weakened economy already has resulted in a near 16 percent drop in passenger volumes in 2002. In addition, lucrative non-stop service to Taipei, Paris, Miami, Toronto and Cincinnati has been eliminated at the airport since the terrorist attacks.

For airports, it's a familiar formula when times get tight.

"Basically, we'd just scale back projects and defer work," said Mike McCarreon, San Francisco airport spokesman.

Optimistically, a short war might benefit the industry, Tonseth said.

"I think it actually might be helpful because it would remove the uncertainty from the market," he said. "People will get back to what they might have normally been doing."

Whatever the war's duration, Dickerson said the industry will bounce back.

"All you have to do is point to the tremendous challenges it's already faced, whether it was deregulation, whether it's major accidents, whether it's 9/11, or whether there are other bankruptcies," he said. "It's a very resilient industry."

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From: Alan Thompson
To: Amy Cheng; Mike Armstrong; Ryan Hall
Date: 3/21/03 9:57AM
Subject: FWD: Oceanside had no airport choice - so what took it so long

Find this article at:

http://www.signonsandiego.com/news/uniontrib/thu/opinion/news_mz1mc20top.html

Oceanside had no airport choice - so what took it so long?

EDITORIAL

March 20, 2003

When the Oceanside City Council met last Thursday, it was well past time to decide whether to let the municipal airport take wing or clip its wings altogether.

For five years, since the approval of a master plan that calls for airport expansion, city officials have been caught between expansion's increasingly vocal proponents, mostly pilots, and its increasingly adamant opponents, mostly residents of neighborhoods nearest the airport. The airport, meantime, has deteriorated, satisfying neither those who want it closed nor those who want it fixed. The holding pattern had to end.

By a 3-2 vote, the council landed on expansion. The vote may be revisited. It was nevertheless the right decision, for very practical reasons.

First, because of grant agreements with the Federal Aviation Administration, the airport cannot be closed until 2016 - if then - without protracted, costly lawsuits the city would likely lose.

Accepting FAA funds for airport expenses, particularly real-estate purchases, entails certain obligations the agency has never yet been known to forgo. Foremost among those obligations: "to maintain and operate ... airport facilities safely, efficiently and in accordance with specified conditions."

A curfew on night use of runways, discrimination against certain activities by a certain type of aircraft, a noise limit that doesn't meet FAA definitions of "rational response": These and other approaches which city officials have tried on airport issues in recent years just just don't fly with the FAA.

Add land-use decisions that impinge on airport operation, as some suggest Oceanside has done, and a city tempts the wrath not only of the feds but the state, which also has contributed funds to Oceanside Municipal Airport.

And neither the federal nor the state government will endorse the loss of a municipal airport that, in the words of a state official, could ultimately strain the capacity of the aviation transportation system, state and national, to the point of its collapse.

Conceivably, Oceanside could come up with the millions needed to repay the federal and state grants it has accepted over decades and possibly get clearance to clear the airport and put up a mall, as some airport critics have suggested.

Critics also point out that (1) airport revenue stays with the airport and (2) it now owes the city money.

But airport revenues are largely user fees, a preferable sort of tax, and the opportunity cost of using that acreage for an airport instead of, say, industrial or commercial operations, is nearly nil: It is not economically feasible. Neither, given state and federal requirements, is a holding pattern that ends with the airport in a downward spiral of ever fewer pilots and ever less revenue.

An expanded and spiffed-up airport, run by a committed, knowledgeable contractor, could drop an estimated \$1 million or more into the local economy in terms of jobs and tourist revenue, particularly as

commercial operations push general aviation out of other local airports. And there's always the prospect of an industrial park nearby.

Oceanside's choice, then, is to make a virtue of necessity, however grudging the start.

Find this article at:

http://www.signonsandiego.com/news/uniontrib/thu/opinion/news_mz1mc20top.html

From: "Stephen Irwin" <stepheni@cwnet.com>
To: "CAA: Airport News" <airport@californiaaviation.org>
Date: 3/19/03 8:45PM
Subject: CAA: Airport News, "Heightened Security at Palm Springs Airport"

Wednesday, March 19, 2003

Heightened Security at Palm Springs Airport
KESQ-TV Palm Desert (CA)

With the nation on high alert, airports have been asked to tighten security. This morning, Palm Springs International was told to enact new security procedures, including a vehicle checkpoint.

The airport says they've been given a laundry list of new security measures to put in place immediately. Starting tonight or tomorrow, all cars driving up to this terminal could be stopped and searched.

The word came down Wednesday morning. Because of the high terror alert, the Palm Springs International Airport was instructed by the transportation security administration to beef up security.

"We were told to start carrying out some changes to our airport."

In the interest of security, airport director Al Smoot couldn't elaborate on what exactly the changes are. But perhaps the most visible change that he can talk about is a security checkpoint for vehicles. Starting either Wednesday night or Thursday morning, an airport employee will be stationed here, randomly checking cars that pull up to the terminal.

Stand-up: the airport says the inspections will take but a few minutes. They'll be looking in the windows, and opening the trunks, to make sure nothing suspicious is inside

"I 'm really glad they have good security. I want them to check everyone."

Joan Ferraro is flying to Chicago with her son, and she welcomes more security at our airports. But she says it can't just be up to the airport to keep us safe. She says we all need to be on alert.

"I think everyone needs to be on guard and watch what's going on."

The airport says added security shouldn't mean added delays. But most travelers say, in these times, a little extra time spent waiting in line is no big deal.

Ontario airport has already begun checking cars, and it has caused some delays so they recommend you get to the airport 90 minutes to 2 hours before departure.

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From: Alan Thompson
To: Amy Cheng; Mike Armstrong; Ryan Hall
Date: 3/20/03 8:06AM
Subject: News item: Possible end of United Airlines?

End could be near for United

By Mike Comerford Daily Herald Business Writer
Posted March 19, 2003

Citing the weighty burdens of war and soaring losses, United Airlines said in a bankruptcy court filing that liquidation is a "distinct possibility."

Analysts differ on the likelihood of the Elk Grove Township-based airline shutting down, but the possibility holds profound implications for local businesses and workers.

"Liquidation is a distinct possibility if United does not achieve its proposed labor cost reductions," said the company, which is seeking \$2.56 billion in annual labor reductions.

"In particular, liquidation would mean that all of United's employees would lose their jobs," the company said in a 91-page court filing late Monday.

Such an action would rock Chicago-area businesses, with this area's reliance on aerospace suppliers, tourism, business travel and O'Hare International Airport.

In the past week alone, the nation's second-largest airline said international bookings dropped off 40 percent as fears about the Iraq conflict mounted.

And United now expects jet fuel prices to be 19 percent higher than it had estimated earlier this year.

United's threat ups the pressure on its unions and on the government, which the industry is lobbying for help.

However, some analysts are pessimistic about United's chances.

"With the management they've had in the last five months, I agree, liquidation is a distinct possibility," said Michael Boyd, an aviation analyst at The Boyd Group in Evergreen, Colo.

Aaron Gellman, a professor at Northwestern University's Transportation Center, agreed.

"Unless there is an epiphany on the part of the pilots and other labor unions, I think United will be liquidated," he said. "There are a lot of businesses that will find this catastrophic."

On Monday, United's unions roundly criticized its request that a bankruptcy judge nullify their contracts by the first week in May if more wage concessions aren't gained. The unions contend their alternate reorganization

plans and current wage cuts are sufficient.

Upon hearing of the direct reference to liquidation, however, several unions pointed out that negotiations are ongoing and a settlement could be reached by that deadline.

"We're not going to let this airline fail," said Sara Dela Cruz, a spokeswoman for the Association of Flight Attendants.

United Airlines spokesman Joe Hopkins said Tuesday "liquidation is not our focus." He said negotiated cuts are preferable.

Indeed, some analysts say they do not think liquidation is the most likely scenario.

"I think the court will give United what they want," said Ray Neidl, an aviation analyst with Blaylock & Partners, a New York-based brokerage firm. "There's also plenty of time for management and labor to work it out too."

There had been some signs of improvement as United said daily cash flow was positive in January and it was beating the first set of financial requirements set by bankruptcy lenders. But those estimates have been challenged by analysts and predated last week's sharp drop in bookings due to travel fears.

United said it now projects an operating loss of \$877 million for the first three months of this year. That would come on the heels of a \$927 million operating deficit in the fourth quarter of last year despite aggressive cost cuts and interim wage reductions since then.

Prospects of a war in Iraq have shaken most of the airline industry. Standard & Poor's said Tuesday it may lower its debt ratings for 11 airlines because war looks imminent.

United also said the recent slowdown in travel because of war fears will force it to further reduce employees' interim wages by 9 percent or more within a month if it doesn't get "sufficient relief" from either the government or its lenders.

United is stepping up its efforts to lobby the government for financial assistance. And Washington appears to be watching.

U.S. Transportation Secretary Norman Mineta Tuesday said the Bush administration stood ready to aid the industry if airlines suffered further from the war.

Locally, United is continuing negotiations with its unions, some seven weeks ahead of its new cutoff deadline. One of the sticking points for pilots is United's proposal to create a low-cost airline to compete with profitable carriers such as Southwest Airlines.

As perhaps a sign of compromise, United said in the court filing it was willing to consider alternatives to that plan.

UAL Corp., the parent of United, lost a record \$3.2 billion in 2002, about a quarter of the \$11 billion in net losses by the top eight U.S. carriers.

From: Alan Thompson
To: Amy Cheng; Mike Armstrong; Ryan Hall
Date: 3/21/03 9:58AM
Subject: March Inland Port development plans disturbs group

Base redevelopment plans disturb group

MARCH: The members worry that the projects will create health risks and lower home values.

03/19/2003

By ADAM EVENTOV
THE PRESS-ENTERPRISE

RIVERSIDE - Future air pollution, noise and traffic from the development near March Air Reserve Base has one neighborhood group calling for political action to limit warehouse and airport development.

"If you want to do something about it, get mad," said Art Cassel, a Lake Matthews resident.

He and about 30 members of the Community Alliance for Riverside's Economy & Environment advocated contacting local, county and state representatives during a meeting Tuesday at Tomas Rivera Elementary School.

The group is concerned that residents will be looking out over a cargo airport and "sea of warehouses" from their Orangecrest and Mission Grove neighborhoods.

However, developers and airport officials say it's too early to tell how the region will develop or determine what traffic and pollution issues will arise.

Health risks

Members of the organization, which include residents from Riverside, Perris, Moreno Valley and unincorporated areas of the county, support efforts to generate jobs in the region and, hopefully, reduce congestion as fewer Inland residents commute out of the county to work.

However, they believe the base's redevelopment will create a health risk and lower home values, said Catherine Barrett-Fischer, one of the leaders of the neighborhood alliance. Instead, they would like to see more office development and the creation of sports parks and open space.

Their concerns include the 1,290-acre March Business Center proposed by Lennar Partners. The Miami-based company wants to create a mixed-use business park where roughly 370 acres of industrial development are planned.

The March Joint Powers Commission, which is overseeing the reuse of surplus Air Force land, approved the project on Feb. 26.

Lennar estimates the project will create more than 10,000 jobs during the next 15 years as the office and industrial park is developed.

The neighborhood group is worried that the industrial portion will be comprised primarily of warehouses that will be served by diesel-spewing trucks that will damage roadways and clog Van Buren and Alessandro boulevards.

Whether the majority of industrial buildings will be warehouses will depend on the real estate market, said Jeff Gordon, Lennar vice president. He said it was too early to tell how many warehouses and trucks would be in the area.

He added that the development includes a 50-acre park, 100 acres set aside for flood control and 1,178 acres nearby for Stephens' kangaroo rat habitat.

As for traffic patterns, the March Joint Powers Commission is developing a way to mitigate future truck traffic, said Phil Rizzo, executive director of the public agency redeveloping surplus military land.

Noise and pollution concerns

The neighborhood group is also concerned about the noise and pollution that cargo jets may bring by the development of the March GlobalPort, a 350-acre logistics center on the southeast portion of the base.

Air cargo is expected to reach 9.5 million tons a year by 2025, triple the current amount, according to the Southern California Association of Governments. And that figure does not include cargo flying into San Diego County.

In fact, March Air Reserve Base is one of the possible airports that could take excess air cargo for San Diego County, said Marney Cox, chief economist for the San Diego Association of Governments.

During the past few months, 207 aircraft have picked up 26,000 troops at the base, giving nearby residents an idea of the noise level of a cargo operation, Rizzo said.

Barrett-Fischer said the area already has some of the most polluted air in the nation and doesn't need cargo jets and a concentration of trucks adding to that pollution.

"We feel it's an inappropriate land use given the homes, schools and churches in the area," said Barrett-Fischer.

From: "Stephen Irwin" <stepheni@cwnet.com>
To: <airport@californiaaviation.org>
Date: 3/19/03 5:43AM
Subject: CAA: Airport News, "Crowded Airports Struggling to Handle Planes, Passengers"

Tuesday, March 18, 2003

Crowded Airports Struggling to Handle Planes, Passengers
South Florida Sun-Sentinel

Think it's bad that one in four flights nationwide is delayed? It's probably going to get worse.

By 2010, U.S. air passenger traffic will grow from 665 million a year to almost 1 billion, aviation industry researchers say.

Aircraft takeoffs and landings are projected to grow from 71 million last year to 91.5 million by 2012 at airports with control towers.

Yet there are no plans to build more major commercial airports, and officials are struggling simply to build new runways.

That's the way it will stay if airport neighbors, environmentalists and citizens' watchdog groups have their way. Across the nation, they are fighting expansion projects, fearing more jet noise and pollution.

Additional runways, long enough to accommodate large jets, are the only way the U.S. transportation system can meet future demands, aviation planners say. A single strip of concrete allows an airport to handle 40 to 60 percent more flights.

Without them, airports will operate at peak capacities or beyond, leading to massive delays on the ground and clogged holding patterns in the air.

"You need runways to accommodate the growth," says Diana Lewis, planning and development director for Fort Lauderdale-Hollywood International Airport. "Airports don't stop growing just because you don't put a runway in."

The Fort Lauderdale airport is a prime example of how expansion projects can get waylaid.

Saying it is an integral part of long-term plans to make the airport a first-class hub, Broward County officials want to lengthen the airport's south runway from 5,276 to 9,000 feet. That would allow planes to use the north runway primarily for landings and the south runway primarily for takeoffs.

Without the extension, most flights would be forced to use one main runway, causing delays of 34 minutes on average by 2015 because of projected growth, planners say. Last year, airplanes made 280,000 takeoffs and landings at the Fort Lauderdale airport, a number projected to jump to more than 410,000 by 2015.

But although the need for the runway was first cited about 14 years ago, residents living south and west of the airport have fought it fiercely.

They say it would shower their homes with jet noise, wipe out more than 30 acres of wetlands and upset the tranquility of John U. Lloyd State Recreational Area. They question whether it is really needed, particularly after a consultant, hired by the county, found that the airport had not adequately considered alternatives.

"You need to substantiate that you do, in fact, need an expansion, then look at all the alternatives to accomplish that goal," says Brenda Chalifour, of Hollywood, one of the opponents and an attorney for Save Our Shoreline.

Now, runway plans may be downsized.

Similar clashes have held up runways in Orlando, Boston, Charlotte and other cities, all now fearing they, too, will have major delays within the next decade.

Delays cost the U.S. economy largely in the wasted work hours of stuck passengers.

A Federal Aviation Administration-commissioned study shows that nationally, \$170 billion will be lost between 2000 and 2012 if the air traffic system is not modernized. Last year alone, delays cost about \$10 billion.

Harvey Bennett of Boynton Beach, a retired engineering consultant, said he expects to be delayed when he flies because he ends up in a holding pattern or in a line of airplanes waiting for takeoff "about 30 to 40 percent of the time."

Usually, it doesn't bother him because, he said, he has no control over how a flight is progressing.

"When I'm under pressure to meet somebody, that's when I get frustrated," he said.

Federal economists say every dollar invested in aviation infrastructure produces up to \$5 for the economy -- because aviation brings so many products and people together.

The FAA generally doesn't push for runways to be built, leaving local governments to do the bidding.

Yet, the agency hopes that by 2010, at least 14 runways will be built at the nation's largest airports, including Miami, Atlanta, Dallas-Fort Worth, St. Louis and Minneapolis.

More than double that number might be needed to keep pace with growth, aviation experts say.

A major problem planners face is simply the pace at which expansion projects proceed, in light of federal requirements for approvals, environmental studies and public input.

For example, Miami International first considered building a second runway on the north side of the airport in 1991. It is tentatively scheduled to open this September, 12 years later.

That generally means that by the time improvements are completed, it's long past time to plan another expansion, said Lewis, the planning director of Fort Lauderdale-Hollywood International Airport.

"I predict we'll still be developing the airport after 20 years," she said. "There's just so much to do around here."

Passengers say that what they really want from an airport is convenience.

Susan Aukema, vice president of a Denver financial services firm, who recently visited Fort Lauderdale on a business conference, said that in the perfect airport, there would be no lines.

"And if your luggage went to the same place you did, that would be nice, too."

For federal aviation planners, who look at the nation's air traffic capacity, the ideal situation would be to build brand new major airports, similar to the one in Denver.

Denver International Airport, the last commercial hub built in the United States, was laid out on 39,000 acres, 25 miles east of the city. Built in 1995, it is far from residential areas and has almost unlimited growth potential.

But the new airport came at a huge price: \$4.9 billion, with federal and state grants and user fees funding most of it.

Such a staggering sum makes it difficult for the federal government to justify more airports. In addition, most cities are surrounded by development and finding wide-open land is virtually impossible.

Some cities are trying to convert smaller airfields or closed military bases into regional airports to ease congestion. These satellite airports may be up to 100 miles from a city's main hub airport.

Miami International Airport, for instance, had an eye on Homestead Air Reserve Base as a possible regional airport, providing commuter airline service to destinations between 200 and 1,000 miles away.

The Air Force has rejected the idea.

Austin, Texas, had been considering building a new airport, but aviation authorities instead converted Berkstrom Air Force Base into a regional airport. Similarly, Eglin Air Force Base has been rebuilt into a regional airport serving Alexandria, La.

Considering the major airlines are streamlining and regional carriers have proliferated since Sept. 11, smaller airports might meet overall needs over the next 10 to 20 years.

Further, under a NASA program, thousands of tiny jets, with as few as four seats, would fly into thousands of general aviation airports, mostly used by Cessnas and Pipers, as a means to relieve major hubs.

Another solution is to build super jumbo airliners. When the Airbus A380 starts flying in 2006, it will have the capacity to land with 555 passengers, reducing the overall number of flights between markets.

A primary market for the large jets will be Asia, where Taiwan, South Korea, China, Japan, Singapore and Thailand have either built or are building new air carrier airports, some on man-made islands in the sea.

U.S. aviation planners can only dream of developing equally expansive airports, although South Florida almost became home to what would have been one of the largest hubs in the world.

In the 1960s, Miami-Dade County aviation authorities tried to develop a super jetport in the Everglades, straddling the Miami-Dade-Collier County line that would have dwarfed even Denver's airport.

It would have had a network of eight runways up to 2.5 miles long and could have accepted space shuttles. It also would have had 10 terminal buildings and rail connections to all parts of the state.

Except for a single runway now used mostly for airline training, it was killed after environmentalists protested that it would have damaged the ecology of the Everglades.

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From: "Stephen Irwin" <stepheni@cwnet.com>
To: <airport@californiaaviation.org>
Date: 3/19/03 5:55AM
Subject: CAA: Airport News, "Southern California airport security stricter"

Tuesday, March 18, 2003

Airport security stricter
Travel: Southland hubs employing more antiterrorism methods.
By Felix Sanchez
The Long Beach (CA) Press-Telegram

Southern California airports braced for heightened security, with bomb-sniffing dogs, more uniformed officers and vehicle searches after the country's warning system for a possible terrorist attack was raised to its second-highest level.

Officials with Long Beach Airport, Los Angeles International Airport and John Wayne Airport held meetings Tuesday with the Transportation Security Administration and local law enforcement officials as they work out new measures to beef up security at the facilities.

At Long Beach Airport, specific measures were being closely guarded but will include more random car searches and traffic stops at key entry points.

Changes in where people can park at the airport are also being considered but no decisions have been made. Travelers were being warned to allow extra time for parking, and check-in as security is increased. Signs will alert the public to be watchful for suspicious activity.

At John Wayne in Orange County, travelers will see more uniformed officers and bomb-sniffing dogs.

John Wayne may also be closing two of its four entrances beginning today if federal guidelines come down mandating even stricter security measures.

Los Angeles Airport could see traffic and security restrictions similar to those imposed after Sept. 11, 2001, if the federal government changes the nation's alert status to the highest level, red. That could include closing the Central Terminal Area to traffic.

Loni Mitchell with Long Beach Airport's operations office said travelers who went through the facility during the last orange level alert will not see any difference in procedures or visible security.

That's not to say there aren't additional measures being used federal authorities are just not saying what's being implemented.

Mitchell said police have been able to keep traffic moving at Long Beach Airport even with the random searches.

"Those guys were great and able to set up the traffic stops so that even with the searches, we did not have a lot of bottlenecks," Mitchell said.

That was not the case at other Southland airports, she said.

Attached Photo:

Los Angeles Police officer Robert Corchado and his K-9 dog inspect passengers' baggage at Los Angeles International Airport Tuesday, March 18, 2003, where security measures were heightened because of the impending war with Iraq.

From: "Stephen Irwin" <stepheni@cwnet.com>
To: <airport@californiaaviation.org>
Date: 3/17/03 1:29PM
Subject: CAA: Airport News, "San Bernardino airport lands charter service"

Sunday, March 16, 2003

San Bernardino airport lands charter service
Ascend Aviation Group to fly Dodgers to away baseball games
By JIM STEINBERG
The Inland Valley (CA) Daily Bulletin

Sports teams, actors and movie executives may soon be traveling through the now empty terminal at San Bernardino International Airport.

On Tuesday, the San Bernardino International Airport authority board signed a five-year agreement with Ascend Aviation Group LLC, which will use SBIA as a base for its executive jet charter service, aircraft maintenance, repair and overhaul business and storage and parts facility.

The company already has 70 employees and may expand to 250 as business increases.

The charter will bring SBIA an annual lease income of \$2.7 million.

Ascend has charter contracts with the Los Angeles Dodgers, San Francisco Giants, Arizona Diamondbacks and the Kansas City Royals.

The first Ascend Boeing 727 charters leaving San Bernardino was scheduled to pick up the Arizona Diamondbacks and the Kansas City Royals over the weekend and fly them to an exhibition game in Hermosillo, Mexico.

The first Dodgers charter flight will be March 26. Ascend will fly the team from spring training camp in Florida to an exhibition game in Las Vegas.

An article posted on the Dodgers' Web site says the contract with Ascend will cost the team \$200,000 less than last year's travel bill, when the team flew on commercial carriers. It will run between \$400,000 and \$500,000 less than what was anticipated for this year.

In addition to professional sports charters, Ascend Chairman and Chief Executive Officer George Warde envisions carving another niche in the entertainment industry by running chartered flights to movie production sites outside the Los Angeles metro area.

Ascend charters could ferry movie production crews, actors and executives from Southern California to far-flung film sites.

And some might fly out of San Bernardino.

But Ascend planes will meet clients at whatever airport they want, said Warde, a former president for American Airlines, Continental Airlines

and Airbus Industries.

For example, during most of the season, the Dodgers will leave from Los Angeles International Airport or the Burbank-Glendale-Pasadena Airport, he said.

But at least once, the team will come through the San Bernardino airport.

In August, after playing the Montreal Expos, the Dodgers will use the airport because it's easier to go through customs.

Scott Spencer, president of an aircraft leasing company owned by Ascend Aviation, said Warde is working to get the Dodgers to fly out of San Bernardino International Airport at least once during the regular season.

Spencer said that a Los Angeles law firm that sends about 14 lawyers to New York each week is considering using a helicopter to bring the legal team to San Bernardino where they would board their charter flight.

Even with the helicopter flight, it would cost them less to fly Ascend out of San Bernardino than to board a charter plane at Los Angeles International Airport, Warde said.

That's because LAX charges significantly more for landing fees and flight services.

Ascend chose San Bernardino after looking at other airports, including Long Beach, Victorville and Palmdale, Spencer said.

The only other real possibility was Long Beach, but the costs were too high, he said.

"I believe that this facility is one of the best kept secrets in aviation," Warde told airport authority board members Tuesday.

Another business Ascend wants to develop here is aircraft storage. Because aviation is such a cyclical industry, Warde said he believes he has hit it at the right time.

When the market turns, Ascend wants to help airlines and other charter air operators bring aircraft out of storage and back into operation.

"We believe we are poised and ready to catch it if it goes over the top," Warde said.

Ascend is leasing the former Lockheed aircraft painting hangar at the San Bernardino airport, which is the only licensed facility of its kind in California, Spencer said.

Ascend has subleased the painting facility to Aeropro LLC, which will paint Ascend's fleet of 13 Boeing 727 aircraft.

Some of those planes will be red, blue or even a rainbow of colors, said Patrycja Wisniewska, the company's designer.

Ascend aircraft are operated under contract by Wichita, Kan.-based Ryan International Airlines.

Maintenance repair and overhaul services will be provided by Ontario-based Certified Aviation Services.

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From: Alan Thompson
To: Amy Cheng; Mike Armstrong; Ryan Hall
Date: 3/14/03 12:23PM
Subject: Hahn alters airport board

Hahn alters airport board

SHAKE-UP: Mayor replaces Wong with Contreras, who served on the commission during Riordan's tenure.

By Ian Gregor
DAILY BREEZE

For the third time since he took office in 2001, Mayor James Hahn is shaking up the Board of Airport Commissioners, which runs Los Angeles International Airport and three other city-owned facilities.

Hahn announced Thursday that Leland Wong, who served on the Airport Commission from 1991 to 1995 and 1998 to the present, will transfer to the Board of Water and Power Commissioners. Taking his place will be Miguel Contreras, executive secretary/treasurer of the Los Angeles County Federation of Labor, who served on the Airport Commission for 2½ years under former Mayor Richard Riordan.

Hahn removed Contreras and several others from the Airport Commission shortly after he was elected. Contreras backed Hahn's challenger, Antonio Villaraigosa.

Last fall, Hahn replaced Commissioner Warren Valdry, a Riordan appointee who openly feuded with Commission President Ted Stein, and his own appointee, Mahala Walter, who was inexperienced in aviation issues. On the water and power commission, Wong will lead the effort to implement Hahn's Alternative Maritime Power program, which aims to get ships to shut down their diesel engines and plug into the city's power system when they dock at the Port of Los Angeles.

"Leland's experience as a harbor commissioner (from 1995 to 1998) and his contacts in Asia will serve him well and serve the mayor well in terms of moving this initiative forward, which will be driven out of the Department of Water and Power," Deputy Mayor Matt Middlebrook said.

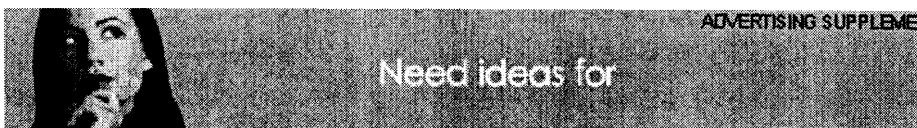
Hahn in a prepared statement said Contreras will provide critical help garnering support for the mayor's proposed \$9 billion LAX modernization, which aims to insulate the airport from terrorist attacks and runway crashes by building a check-in facility east of the airfield and taxiways between the two sets of parallel runways.

"Miguel's a terrific leader in the community who understands the safety and economic impacts of modernizing the airport," Middlebrook said.

Contreras' appointment also is a nod to organized labor, which helped the mayor successfully beat back secession attempts in the San Fernando Valley and Hollywood and supports LAX modernization, two City Hall sources said. Hahn shifted Wong simply because the mayor needed to open up a spot for Contreras and Wong was "the odd man out," one source said. "This in no way was reflective of his productivity or value to the commission," the source said.

Wong worked extensively with Asian air carriers and said he recently got three of them to support Hahn's airport modernization, which is unpopular with most major U.S. airlines. He declined to name the Asian carriers.

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Los Angeles Times
latimes.com.

<http://www.latimes.com/business/la-fi-aircuts12mar12,1,6126982.story?coll=la%2Dheadlines%2Dbusiness>

Airlines Say Iraq War Could Cost 70,000 Jobs

Industry losses would top \$10 billion, trade group warns. Stocks, already down sharply this year, fall further.

From Reuters

March 12, 2003

U.S. airlines could slash 70,000 more jobs and annual losses would reach \$10.7 billion if there is a war against Iraq, the biggest domestic carriers said Tuesday.

The Air Transport Assn., which represents major airlines, released the outlook in a report on industry finances and called again for government help with fuel costs and relief from taxes.

Shares of AMR Corp., the parent of American Airlines, dropped 34%, while Delta Air Lines Inc. fell 22%. Standard & Poor's said it would drop AMR from its flagship 500 index after the close of trading Thursday.

Air travel has plunged since the Sept. 11 terror attacks, prompting UAL Corp.'s United Airlines and US Airways Group to seek protection from their creditors in Bankruptcy Court.

The airline group said a conflict with Iraq lasting 90 days would cost \$4 billion in lost revenue, on top of the \$6.7 billion the industry is expecting to lose this year.

The airlines said they would have to cut costs aggressively, resulting in 70,000 job losses on top of the 100,000 since Sept. 11, 2001.

"The nation's air carriers will continue to do all we can, but we fear that the consequences of this war will be severe," said James May, president and chief executive of the air transport group.

May said war could prompt more bankruptcy filings or force financially fragile carriers into liquidation. The industry is carrying more than \$100 billion in debt with bond ratings for nine of the 10 biggest carriers rated "junk."

The airlines said they wanted relief from security taxes and fees and other government mandates they said have cost them \$4 billion in lost revenue since the attacks. They also want the government to sell strategic oil stocks to reduce fuel prices.

0095

President Bush was aware of the airlines' concerns, a White House spokesman said. But there was no promise of aid.

"We will, of course, continue to talk to the airlines about various issues," spokesman Ari Fleischer said.

Airline stocks, already down sharply this year, fell further.

AMR shares fell 82 cents to \$1.59 on the New York Stock Exchange. Sources say American Airlines is seeking financing for a possible bankruptcy filing.

S&P said it is dropping AMR from its 500 index because the airline's market capitalization and share price have sunk.

Delta Air Lines, which said Monday that it expected negative cash flow for the first quarter because of low bookings, fell \$1.91 to \$6.75 on the NYSE.

Northwest Airlines Corp. fell 74 cents, or 10.57%, to \$6.26 on Nasdaq.

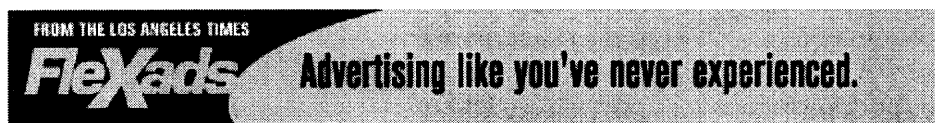
Ray Neidl, an airline analyst at Blaylock & Partners, said the current situation was "the perfect economic storm" of converging factors, including high labor costs. "The result is an unprecedented decline in demand that seems difficult to address," he said.

The U.S. government doled out \$5 billion in cash aid and set up a \$10-billion loan guarantee program to help airlines after the Sept. 11 attacks. May said the industry did not support such remedies this time.

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From: "Stephen Irwin" <stepheni@cwnet.com>
To: <airport@californiaaviation.org>
Date: 3/10/03 5:32AM
Subject: CAA: Airport News, "Houses near Ontario, California airport dwindling"

Monday, March 10, 2003

Din driving owners out of Ontario homes
Houses near airport dwindling
By BRENDA GAZZAR
The Inland Valley (CA) Daily Bulletin

ONTARIO - Sound lives on the 1200 block of Airport Drive, and rarely goes away.

People live there, too. But for almost every daylight moment, it's the home of a continuous, penetrating din from trains, planes and automobiles.

A few remaining homes on the block are but a few hundred yards from the end of the runway at Ontario International Airport. That's deafening enough, but these people are also sandwiched between two major railroad lines and adjacent to normally busy Grove Avenue.

A new entrance into the airport now runs right by their front doors.

"The noise is a little bit disconcerting," said resident Jerry Askew, his voice fading into the roar of a bulldozer cleaning a yard next to his gray stucco house. "Originally when we moved, the airport was really small. I think that was in 1964."

In a rare period of relative calm between takeoffs and bulldozer loads, Askew managed to say he is now accustomed to the noise.

"Originally it was a PITA, or a pain in the ass," Askew, 79, said of the noise. "But after a couple of years or longer we got our brains to accept the noise and it doesn't bother us anymore."

Askew and his neighbors, located on Airport Drive just east of Grove Avenue, are part of a shrinking residential enclave that has experienced firsthand the growth of a 24-hour commercial airport and subsequent development.

Residents tolerate the noise and the chaos because rents are low or because they've just gotten used to it.

Askew and two other property owners, recognizing the anachronism of their neighborhood, say they are willing to sell their property or allow development on the property if the price and conditions are right.

The neighborhood, once zoned for multi-family residential, is now zoned for limited industrial use such as light manufacturing.

The homes there are flanked by a small discount storage facility that has become an area fixture since 1988 and a petroleum products facility fenced off with barbed wire.

The property owner to the east of Askew's home recently demolished two houses and a trailer and has plans to build a storage facility.

"It's an enclave that's a holdover from the past era," said Ontario Planning Director Jerry Blum. "I'm not sure right now what their future is. They have a right to exist there, unless the city wants to develop it which we probably won't do, or private developers remove them or the airport decides it wants to move in there, but the city has no plans short term to do something there."

The homes in the neighborhood are eligible to be acquired by the Ontario Housing Agency through a program aimed at reducing noise from the airport, said Sigfrido Rivera, senior project manager of the Ontario Quiet Home Program.

"The noise level there is so high and the area is planned for future industrial development (according to the city's general plan), that sound-proofing the homes would not achieve the noise reduction required by federal guidelines," he said.

When enough funds are secured from the Federal Aviation Administration and Los Angeles World Airports, the agency could make offers to purchase the properties under the voluntary program.

Next to Askew's house lies Three Pines Villas Apartments that run north-south. Many of the residents, who are fieldworkers, say they are comfortable there and appreciate their low rent.

Prices for the two-bedroom apartments start at \$525. Residents say they too, have become immune to the noise and the traffic there.

Manager Teresa Rodriguez, who lives in a house on the property, said she has had no problems.

"This place is ugly but I like it," she said. "I have good tenants" and good neighbors, she said.

The property owner, Morrie Efseaff, said he would be interested in seeing development there, but said he has not been approached. Apartments are not suited for the area because it is so close to the airport, he said.

"The airport is the main focus of where it's at," he said. "It's not for children to play outside or for apartments. It's not what the future holds for that area."

While the homes in the neighborhood are old and run-down -- some dating back to the late 1930s -- the land has become more valuable with the growth and success of the airport.

Through the years, residents like Askew have witnessed the airport acquire 300 additional acres in 1970, the opening of a new runway in 1981, and a \$270 million terminal expansion project, finished in 1998.

As of 2000, the airport ranked the eighth largest in California in terms of number of passengers and the fourth in the state in terms of cargo. The airport now has an estimated 325 passenger and cargo takeoffs and landings a

day, said Airport Manager Jens Rivera.

The city recently took 17 feet off Askew's property and portions off others to expand Airport Drive from one lane to three lanes on each side from Grove Avenue to Haven Avenue.

Askew said he tried to sell his home about 15 years ago or so, but nobody was interested in buying it, he said. Now he eventually hopes to sell his property and move to the country with his wife, Edith.

"I want to get out of the city for one thing," Askew said. Askew, who builds and designs custom machinery, was approached some time ago and asked to join a development project, but said he didn't have the money at the time to invest in the project and find a new place to live.

Businessmen in recent weeks have approached Blum to discuss potential development there, but no applications have yet been filed with the Planning Department, Blum said.

Attached Photo:

Ontario resident Jerry Askew works on re-roofing his house opposite the Ontario Airport. Two homes next to Askew's property were demolished last week.

From: "Stephen Irwin" <stepheni@cwnet.com>
To: "CAA: Airport News" <airport@californiaaviation.org>
Date: 3/9/03 5:22PM
Subject: CAA: Airport News, "Port of San Diego feels pinch in split with Lindbergh"

Sunday, March 9, 2003

Port feels pinch in split with Lindbergh
Ways sought to increase revenues, decrease costs
By Ronald W. Powell
The San Diego (CA) Union-Tribune

Long envied by local governments in the region for its cash-rich coffers, the Port of San Diego has entered an age of austerity after losing Lindbergh Field, its most lucrative division.

On Jan. 1, the airport became the property of the new San Diego County Regional Airport Authority, as required by state legislation.

Lindbergh's departure after 40 years under the port's wing leaves the San Diego Unified Port District with two business lines – maritime and real estate.

This year, the port is expected to lose \$11.9 million. In 2002, when the airport was still part of the port, the port reported a \$19.7 million surplus.

Those figures show a swing of more than \$30 million on the port's ledgers from last year to this year.

The shift in fortunes leaves port officials searching for new revenue sources and new ways to cut expenses.

But while they move to create a more efficient port, officials must grapple with a host of concerns, including:

Worries over \$11.7 million in salaries, benefits and other operating expenses this calendar year that the airport used to pay. Port officials are not calling this a deficit, saying they believe incoming revenues will cover the expense. But if they don't, the port will need to dip into its cash reserves.

A \$40 million shortfall in the port's five-year capital improvement budget, which pays for development on tidelands in its five member cities. The Port Commission will have to decide which proposed projects will be delayed or eliminated.

Curtailment of travel by commissioners. In 2001, various commissioners spent more than \$85,000 on trade missions and port or aviation conferences in such far-flung locales as Rome, Hong Kong and Montreal. With the airport gone, such travel will be largely grounded.

A tightening on hiring and the purchasing of equipment. Each job that becomes vacant through retirement, firing or voluntary leave will be examined for necessity. Requests for new copiers or equipment supplies might

be denied. Overtime will be discouraged.

"We're going through a budget reduction exercise right now," said Jeff McEntee, the port's treasurer. "We've got to tighten our belt. We're not as rich and rosy as when we had the airport, but we're not in a dire situation either."

Airport funds gone

Last calendar year, when the port controlled the airport, the port recorded operating losses of \$7.6 million. That loss was offset by \$27.3 million in nonoperating revenue, including grants, interest income, insurance proceeds and rental car fees.

But the largest source of nonoperating revenue was the \$20.4 million the airport received in passenger facility charges – a \$3 fee tacked on to each airline ticket. The airport took that money with it when it went independent.

This calendar year, the port's projected loss of \$11.9 million in revenues comes from a \$7.6 million decline in maritime revenue; a \$1.3 million decline in real estate revenue; and a \$2.9 million decline in all other revenues, including interest on debt.

When the airport was part of the port, it paid about 51 percent of the port's salaries and expenses. Last year, that amount was \$10.8 million. This year it would have been \$11.7 million – virtually wiping out all of the port's projected losses for this calendar year.

The airport also picked up additional costs in the split, including more than \$4 million in salaries and benefits for about 40 new employees and for the three-member executive committee of the airport authority's board of directors. Each of the three is paid \$139,500 a year, plus benefits.

In addition, the airport took on about \$3 million in lease payments as part of the split with the port.

Airport officials are confident they can meet their obligations in a budget that will top \$96 million. They also want to limit the passing on of additional costs to the ailing airline industry or to the traveling public.

"We're comfortable with our budget," said Jeffrey Woodson, the airport authority's vice president of administration. "We want to be competitive, cost efficient and sensitive to our customers. We'll contain costs as best we can."

The airport split off because of legislation championed by former state Sen. Steve Peace, D-El Cajon, that was approved in fall 2001. Port spokeswoman Rita Vandergaw said neither the port nor the state conducted an economic analysis on the impact the airport's departure would have on the port.

"This bill was put together less than 10 days before the (2001) legislative session ended," Vandergaw said. "There was no way to know what the economic impacts would be. Now, we can't do the infrastructure improvements we planned, and the airport will also have increased costs."

The port administers 27 miles of nonmilitary tidelands on San Diego Bay, operates two cargo terminals and one cruise ship terminal, and is landlord to more than 500 mostly bay-front businesses. It has its own law enforcement arm, the Harbor Police, and an environmental department to improve the bay's water quality.

The port's member cities are San Diego, National City, Coronado, Chula Vista and Imperial Beach. The city councils of each city appoint representatives to the district's seven-member Port Commission governing board, with three representatives from San Diego and one each from the remaining four cities.

New deals

Critics of the port have accused it of being too free-spending in the past. They say the port's new preoccupation with the bottom line and self-examination is overdue.

"Officials at the port should be scrambling to redefine themselves," said Chula Vista businessman Kevin O'Neill, who closely watches port actions. "The managers need to sit down and decide what they want to be. They should not just be the same old port without an airport."

O'Neill said that while San Diego's port will never be equipped to handle the volume of ports in Long Beach, Los Angeles or Seattle, it can acquire more small cargo business.

"We need to find out what commodities we can bring in that are clean and compact," O'Neill said.

Port officials agree with O'Neill. They are negotiating with a major produce company in hopes of wooing it to the port's 10th Avenue Marine Terminal.

Port management hopes it can strike a deal similar to the 20-year contract that Dole Fresh Fruit Co. entered with the port last year to relocate its West Coast container facility to the 10th Avenue facility.

The port invested more than \$25 million to build a refrigerated container facility at the terminal and will receive about \$2.3 million a year from Dole. The company plans to ship 40,000 boxcar-sized containers of fruit through the port this year.

Peace's legislation created the San Diego County Regional Airport Authority, which is to operate Lindbergh Field and to plan for an airport to supplant or supplement it.

By law, the airport authority is to decide on a solution and put it before county voters in November 2004 or no later than November 2006.

The same legislation eliminated layoffs as a cost-cutting measure by dictating that port employees would not lose their jobs because of the split.

Port commissioners reduced travel last year by about a third from the previous year, largely because they did not attend airport conferences.

In 2001, the commission spent more than \$85,000 traveling on trade missions

and to port and airport conferences around the globe. Last year, they spent about \$56,000.

"If it makes good business sense, if it gets more business, that's OK," Port Commission Chairman Jess Van Deventer said of commissioner trips. "There's not a lot of conferences on the drawing board this year."

Seeking business

To bring in more revenue, the port is reviewing its properties for commercial opportunities.

One possibility is the old 44-acre Teledyne-Ryan complex near the airport on Harbor Drive. Van Deventer said he believes leasing the buildings and using the surrounding lots for airport parking could bring in more than \$3 million a year.

He said the port also can save \$3 million by deferring a demolition project at the 10th Avenue Marine Terminal.

As part of the split, the airport accepted the transfer of 54 port employees who had been working there at a total estimated cost of about \$4 million in salaries and benefits. Those transferred include 19 maintenance workers, five electricians and two accountants.

The transfers leave the port with fewer than 600 employees, down from 817 when the airport was part of the agency.

The port also agreed to transfer to the airport authority \$75 million in operating cash and a \$50 million promissory note that is to be paid out by Dec. 31, 2009.

That transfer of funds results in a loss of \$4.9 million to the port – \$1.9 million in interest that would have accrued had the \$75 million not been extracted from the reserve fund, and \$3 million in annual interest on the \$50 million promissory note.

The settlement leaves the port with \$134.2 million in reserves, with \$54.5 million of it in restricted funds that can only be spent for specific purposes.

The authority will operate the airport under a 66-year lease requiring a payment to the port of \$1 a year.

On Feb. 25, port commissioners voted to delay a nearly \$800,000 contract to install a roof-mounted photovoltaic electric system at the port's new general services facility in National City until grants and other possible funding sources have been explored.

The action was a sign of the changing port.

"I think everybody should look at everything," said Van Deventer, referring to revenues and cost savings. "I tell everybody: It's a new port now."

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From: Alan Thompson
To: Amy Cheng; Mike Armstrong; Ryan Hall
Date: 3/6/03 1:15PM
Subject: FWD: U.S. Urges Vigilance at Small Airports

U.S. Urges Vigilance at Small Airports
By LESLIE MILLER
The Associated Press

WASHINGTON (AP) - The federal government is urging private pilots to watch out for suspicious behavior at small airports and giving them instructions on what to look for.

In an effort reminiscent of World War II-era public awareness campaigns, the Transportation Security Administration is mailing brochures to 200,000 pilots about the Airport Watch program, a joint effort with the Aircraft Owners and Pilots Association.

AOPA is sending posters to airports and flight schools reminding people to report suspicious or unauthorized activity by calling a national hot line (1-866-427-3287). For example, pilots should be on the lookout for unusual cargo and people who claim to know about aviation but use the wrong lingo.

AOPA also sent brochures to its 400,000 members soon after plans for the program were announced in the fall. Details were unveiled Tuesday.

There are 18,000 private landing facilities in the United States. They are seen as potentially vulnerable to terrorists because many have little or no security.

Last summer the TSA issued an alert saying terrorists may turn to private planes and airports because of stepped-up security at commercial airports and airlines.

"The opportunity is there for mischief," Transportation Security Administration chief James Loy said.

An 18-minute video showing pilots, mechanics and airport technicians what kind of suspicious behavior to look for is being sent to 3,500 airport directors, all 50 state aeronautics directors, 158 federal security directors who oversee airports and 800 chapters of the Experimental Aircraft Association.

The video, developed by the pilots' association, also is available on the Internet.

"If you see someone loading unusual cargo into an aircraft, or if you see someone loading something into an aircraft that you haven't seen loaded before, that's a hint there might be something wrong," said Warren Morningstar, spokesman for the pilots' association.

Homeland Security Secretary Tom Ridge appears at the start of the video and encourages pilots to help combat terrorism.

"We're asking you to become highly aware of your surroundings," Ridge said. "We all must watch out for one another."

Rep. Stevan Pearce, who has owned and flown a crop duster, said private pilots should take the initiative because more flight restrictions might otherwise be imposed.

"There's great concern that we'd give up the freedom to fly for so-called security," said Pearce, R-N.M.

Weeks after the Sept. 11 terrorist attacks, the government grounded thousands of crop-dusters amid fears the planes could be used in an airborne chemical or biological attack. Restrictions also have been established for private planes around nuclear power plants, military installations and Washington.

The government has spent billions of dollars to hire security personnel and install high-tech screening equipment at 429 commercial airports. Federal air marshals fly on thousands of airliners every day; before the end of the year some commercial airline pilots will be carrying .40-caliber semiautomatic pistols with them on flights.

On Tuesday, Sen. Barbara Boxer, D-Calif., and Sen. Jim Bunning, R-Ky., introduced a bill to allow commercial cargo pilots to carry guns in the cockpit.

On the Net:

Aircraft Owners and Pilots Association: <http://www.aopa.org>

To view the video: <http://www.aopa.org/asn/watchindex.shtml>

The toll-free hot line: 1-866-427-3287

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To: <airport@californiaaviation.org>
Date: 3/6/03 3:00AM
Subject: CAA: Airport News, "A War in Iraq Could Take Heavy Toll on U.S. Airlines"

Wednesday, March 5, 2003

A War in Iraq Could Take Heavy Toll on U.S. Airlines
The Wall Street Journal

What would an Iraqi war cost the airline industry?

Likely several billion dollars in financial losses, and tens of thousands of jobs. Or maybe United Airlines. Or the chance to successfully restructure the industry.

Take your pick.

Should U.S. bombs start falling on Baghdad, the devastation will be swift and severe at U.S. airlines. If terrorism fears rise as fast as oil prices, and security hassles grow as international flying shrinks, then this war is likely to have several, if not many, airline casualties.

The good news, if it can be called that, is that going to war could actually speed up the necessary restructuring of the airline industry.

As Pentagon generals play out different war scenarios, so, too, do airline executives, financial analysts, labor union chiefs and investment bankers. Anyone who holds a ticket for future travel is nervously thinking about possible outcomes, as are the millions of people with frequent-flier miles on credit at bankrupt or near-bankrupt carriers. For airline employees, the drumbeat of war can be deafening. (Lest we forget, though, none of those has as much at stake as anyone with military relatives prepared for combat.)

For airlines, the similarities to the first Gulf War, which lasted six weeks beginning in January 1991, are striking. Several carriers went into bankruptcy reorganization before the war, and more after the war. Continental Airlines filed for Chapter 11 protection in 1990, while Pan Am World Airways and Eastern Air Lines both filed within days of the start of the war in mid-January 1991. High oil prices were crippling the industry, along with a significant recession. Confusing, maddening pricing at legacy carriers was infuriating customers, and from the chaos, AMR Corp.'s American Airlines in April 1992 introduced its simplified, short-lived "Value Pricing" scheme.

Seems like déjà vu all over again. But the differences are striking, too. In the early 1990s, airline traffic and revenue closely tracked U.S. gross domestic product. That's no longer the case, Deutsche Bank points out. Air travel is a more emotional decision now, not just an economic one. And alternatives to the big airlines are far more plentiful and attractive. The correlation between airline revenue and GDP has fallen sharply, and the correlation between airline traffic and GDP has dropped even more. Statistically, there has been no meaningful correlation with the nation's economy lately.

That means U.S. airlines could be in more peril from even a short war if the emotional drain and heightened fears lead to a bigger-than-expected drop in air travel. Domestic air travel fell by less than 10% for January and February of 1991. International travel was much worse, with trans-Atlantic traffic down 44% in February 1991, compared with the year before, and it didn't rebound to pre-war levels for almost a year. The total decline in traffic for U.S. airlines in the first quarter of 1991 was 8.5%.

This time will likely be worse. Airlines and analysts alike have talked of a 10% to 20% drop in traffic, and carriers plan capacity cuts of the same magnitude. Trans-Atlantic routes will see more flight cancellations, again, but the cutting will be widespread -- and swift. Airline contingency plans call for quick action, not waiting to see how the public will react. If traffic stays depressed, even if the war goes well, and concerns rise over airport security and possibly terrorist attacks, carriers could be quickly pushed over the edge.

Mark Gerchick, a former Department of Transportation official who is now an aviation consultant, says terrorism fears and greater travel hassles could put airlines back to the dismal days of the final quarter of 2001 -- about 10% below last year's depressed levels. That would translate into an industrywide revenue loss of about \$2 billion a quarter. High fuel prices could add \$2 billion in cost each quarter simultaneously. That double-whammy could go on for six months or more.

Ultimately, U.S. airline losses could be pushed to \$9 billion this year, not far off the \$11 billion in net losses in 2002. "It could leave half the major U.S. airline industry in bankruptcy," Mr. Gerchick wrote in a report last month.

Deutsche Bank agrees. "We don't think that the industry has the staying power to remain financially afloat if an Iraqi conflict winds up being prolonged," says analyst Susan Donofrio.

Others around the world are better prepared. British Airways, a carrier roughly the size of Northwest Airlines, has accumulated a war chest of \$3 billion in cash and unused credit to weather the storm -- far more than any U.S. carrier of any size. "It's hard to see how the immediate weeks and perhaps months ahead will do anything but make it worse for U.S. airlines," said Colin Marshall, chairman of British Airways. The \$3 billion amounts to the biggest cash and credit reserve ever in British Air's history, Lord Marshall said.

Even a short war -- six weeks or so -- might be too much for United. Last week, J.P. Morgan put the probability of liquidation at United at 25% to 30% -- higher if the war scenario is worse than most expect.

So precarious is United's position that just this week, the company pleaded with a bankruptcy-court judge to force the federal government to return \$388 million in tax payments. Without the refund, which United says it is due but the Justice Department has frozen because the government has other claims against United, the company's cash balances would become inadequate, and United's creditors would tighten the screws. "We're talking about a potential run on the bank," said UAL Corp. attorney Marc Kieselstein. "The company needs the money literally to operate."

Already, airlines and unions are pushing for relief in Washington, such as a holiday from federal ticket and fuel taxes, or releases from the nation's Strategic Petroleum Reserve to bring oil prices down. For now, sentiment in Washington doesn't seem to be much in favor of carriers, and multiple bankruptcies are seen in some corners as a necessary, and even good, thing that will facilitate the restructuring that needs to happen.

Even a United liquidation, as horribly painful that would be for workers at that company who counted on long-term careers and rewarding retirement, could be seen as favorable to the rest of the industry. Other carriers would pick up much of, but not all of, United's flying -- maybe half the domestic capacity and three-quarters of the international flying. Planes would be fuller for the survivors; fares would likely go up.

Odds are that war will speed up the restructuring of the industry. But there's a chance it could slow it down. For example, with more revenue coming in, other carriers such as American, Delta Air Lines and Northwest Airlines would have a much harder time arguing to their employees that they need to agree to pay and perk cuts to shore up the bottom line. What's more, with greater pricing power, pressure for pricing reform on those same airlines would lessen. A great opportunity to fix some of the industry's biggest problems would be lost.

Indeed, if a short, successful war quickly yields lower oil prices and jump-starts travel, with pent-up demand for vacations and postponed business trips filling seats, airlines could rebound quickly. Suddenly, the exhaustive, painful but necessary work under way to make carriers competitive and efficient could fall by the wayside -- until the next downturn.

No matter how this war plays out, it is going to shape travel in this country for many years to come.

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Subject: CAA: Airport News, "Airlines pushed to the edge"

Tuesday, March 4, 2003

Airlines pushed to the edge
Carriers sure to face even more losses if hostilities break out
By David Armstrong
The San Francisco (CA) Chronicle

The nation's shaky airline industry could be flying into the heaviest turbulence yet if war with Iraq breaks out.

To be sure, airlines will keep flying in the event of a U.S.-led invasion of Iraq. But industry experts say a major drop in passenger traffic -- especially on usually profitable international routes -- and a steep rise in costs for security and fuel will drive the airlines to losses of historic proportions.

Air travelers will certainly feel the impact in the form of security delays, flight cutbacks, possible rerouting and higher fares.

Jet fuel, the second-largest cost of airlines after labor, is particularly worrisome because it's "something the airlines can't control," said Darryl Jenkins, director of the Aviation Institute at George Washington University. "We've seen passenger traffic go down at the same time that fuel (costs are) going up. I have never seen it this bad."

The price of jet fuel has skyrocketed to \$1.20 per gallon, more than double what it was in February 2002, according to the Air Transport Association, the airline industry trade organization.

Longtime observers say the dilemma facing the airlines is the worst since the Persian Gulf crisis of 1990-91, which depressed passenger traffic and obliterated profit. According to the Air Transport Association, U.S. airlines lost \$10.6 billion from 1990 to 1992, and Pan American World Airways failed.

But today's situation is far worse than what it was in 1991, said David Stempler, president of the Air Travelers Association, a nonprofit consumer organization based in Washington.

"In the past, if one carrier was struggling, another one could jump in," Stempler said. "The airlines were in stronger financial shape in 1991. Now, everyone is struggling. They're parking aircraft in the desert. They're furloughing pilots."

The 10 biggest U.S. carriers lost a record \$11.3 billion in 2002, more than the three-year losses attributed to the Gulf War. American Airlines, the world's largest airline, lost a record \$3.5 billion. United Airlines, which filed for bankruptcy protection in December, lost \$3.2 billion.

Overseas traffic is expected to be hit especially hard during any war with

Iraq. Advance international bookings already are down by 20 to 25 percent, according to David Swierenga, the transport association's chief economist. If the shooting starts, Swierenga said, the nation's airlines will lose from \$2 billion to \$4 billion per quarter.

In the event of war, United, the world's No. 2 airline, said it will trim flights by 10 to 15 percent, according to Douglas Hacker, United's executive vice president for strategy.

FAILURES LIKELY

Swierenga didn't say which airlines might survive and which could be casualties of war, but the Aviation Institute's Jenkins said corporate failures are likely.

By the time the war is over, Jenkins said, one or more major U.S. carriers could well be among the casualties, falling not just into Chapter 11 reorganization but Chapter 7 liquidation. In a worst-case scenario, "We could see the loss of United and American," he said.

United, which has lost \$5.3 billion in the past two years, is trying to climb out of Chapter 11. The carrier has slashed 20,000 employees from its payroll, lowering its Northern California staff from 20,000 in late 2001 to about 16,000 now.

United, the dominant carrier at San Francisco International Airport, has asked its major unions for benefit concessions, changes in work rules and major wage cuts. The carrier hopes to extract \$2.85 billion in annual savings in wages, and has said it will ask the Bankruptcy Court to void its union contracts if no agreement on concessions is reached by March 15.

Foreign airlines are experiencing similar financial difficulties and war-related jitters.

British Airways, Europe's largest carrier, has trimmed flights and dropped 10,000 employees during the past year. Last week, the airline canceled most of its flights to the Middle East and said that fears of war combined with weak business traffic may prompt it to pull the supersonic Concorde from service. Terrorism fears prompted the British government to station 1,500 troops and heavily armed police from Feb. 12 to 15 at London's Heathrow Airport, further unnerving travelers.

FEARFUL OF FOREIGN TRAVEL

Industry observers say transatlantic routes, a mainstay for United, American and British, are certain to suffer, in part because the United States and Great Britain would be the major powers fighting Iraq, and in part because Americans are fearful of foreign travel anyway.

"Transatlantic travel will drop like a rock," said airline consultant Michael Boyd, principal of the Boyd Group of Colorado. "Americans think anywhere east of New York City is foreign," he said. Equating foreign travel with risk, Americans will stay home, Boyd said.

In the event of a war with Iraq, industry observers expect the airlines to offer some sweeteners to entice passengers.

"You might see special clients being contacted and offered extra miles," said Terry Trippler, an airline expert for the Web site cheapseats.com. Scrapping cancellation fees, which run as high as \$100 per ticket, for fliers who elect to change or drop their travel plans is another possibility, Trippler said.

Virgin Atlantic Airways said on Feb. 20 that it will allow travelers who book flights between the United States and the United Kingdom by March 17 to change travel plans without paying cancellation or change fees, as long as they rebook on Virgin Atlantic and use their tickets by Dec. 31.

But analysts doubt the policy will be widely matched at a time when airlines are scraping for every dollar they can get. And some say it's unreasonable for consumers to expect it.

"I am really stunned to hear from travelers that they think the airlines owe them the right to change without fees," said Joe Brancatelli, editor and publisher of the travel business Web site JoeSentMe.com.

"I mean, travelers have to occasionally take responsibility for their own lives," Brancatelli said. "If they are frightened and don't want to fly, I support their decision. But why do they think the airlines should underwrite their discomfort? That I don't understand."

FARES ALREADY LOW

Most observers think the airlines' room to maneuver is limited, especially on issues such as fares.

"I don't think fares can go any lower," said Christopher McGinnis, the head of TravelSkills Group, an Atlanta travel consultancy. "The round-trip fare from Atlanta to Amsterdam right now on Delta is \$225."

If war ends swiftly with a U.S.-British victory, disruption of the aviation system and the U.S. economy, which is heavily dependent on the ease of air travel, may be limited, said the Aviation Institute's Jenkins.

"We're hoping we're seeing the worst right now," Jenkins said. "If it's a short war, we've already taken the major hit."

In the meantime, the airlines are pressing Washington for tax relief and other aid.

James May, president and chief executive officer of the Air Transport Association, has asked Congress to tap the strategic petroleum reserve to bring down fuel costs. The association also wants the government to shoulder post-Sept. 11 security expenses now borne by cash-strapped airlines.

It has asked Congress to set aside the 4.3 percent fuel tax for the duration of any war, require the federal government to pick up the estimated \$4 billion annual security costs the airlines have incurred since Sept. 11, and drop the \$10 round-trip security tax, which the airlines collect from customers but cannot keep.

SECURITY COSTS UP

Security expenses jumped after Sept. 11, when the airlines were charged with reinforcing cockpit doors, increasing scrutiny of ramp workers and passengers and booking sky marshals in first class. Jenkins said that federal security fees and taxes make up about one-fourth of the cost of an average plane ticket.

Given that Washington may have to finance a military campaign in a time of deep deficits, there is no assurance the federal government will come up with any substantial aid for the airlines, Jenkins said.

War or no war, Americans should keep flying, said Tripler.

"It's only right for the economy -- not so much for the airlines, but for the economy," Tripler said.

"During World War II, my mother left South Dakota to go to California to make airplanes; she was Rosie the Riveter. We're not asking people to make airplanes. We're just asking them to get on them."

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Subject: CAA: Airport News, "Long Beach, Calif., Airport `Round Table' Studied"

Tuesday, March 4, 2003

Long Beach, Calif., Airport `Round Table' Studied
The Press-Telegram, Long Beach, Calif.

LONG BEACH, Calif.--The idea of a community round table to give residents living around Long Beach Airport a chance to voice their opinions about issues that might affect their lifestyles or environment is being floated.

Similar round tables already exist in San Francisco and Los Angeles, grouping representatives from the airports, affected cities and county, community, city staff and some elected officials in a setting that is designed to give everyone opportunity to influence decisions or programs in their early stages.

It's a good idea, but one that has to be shepherded closely to ensure it's just not another layer in the bureaucratic maze that sometimes allows airport projects to get approval before residents are even aware they are being considered, said the leader of a Long Beach Airport area neighborhood group.

At the request of airport manager Chris Kunze, the community round table concept was discussed at a recent city of Long Beach Airport Advisory Commission meeting and will be dissected in more detail by city staff and pitched to the City Council for consideration.

Walt Gillfillan, with Walter E. Gillfillan & Associates in northern California, helped form community round tables in San Francisco and Los Angeles and presented the idea to commissioners.

"This would be different from (the public) showing up at a council meeting and trying to be heard. The council may be sympathetic but they may not have the authority to do something about it," said Gillfillan, who oversees the San Francisco round table and consults with a similar group at LAX.

"Those involved in the round table would have some power to do something about it," Gillfillan said.

That's because members would include managers and operators of the airport, the Federal Aviation Administration, county and city officials and a subcommittee with neighborhood residents, all bound by a memo of understanding giving them particular powers, Gillfillan said.

There would be some public money for administrative costs, Gillfillan said. In San Francisco and Los Angeles, costs are usually around \$100,000 a year and can be divided by the public agencies involved or funded completely with airport funds.

Rae Gabelich, who founded the rebirth of neighborhood group LBHUSH2 to monitor and influence growth and regulate noise at Long Beach Airport, sees

a round table as a possible benefit.

"Bringing the airlines and the FAA to the table, that would be very positive," Gabelich said. "But it also could be adding another layer of distance between the powers that be and the community. We have trouble communicating amongst each other now. Will this be another referral to yet another entity?"

"I do like the fact they are even considering reaching further into the community."

In recent weeks airport area residents have been incensed at what they believe are attempts by the city to expand the airport -- with plans for a new parking garage, remote parking off the airport site, and permanent additions to the existing terminal buildings -- without getting neighborhood input about potential environmental and quality-of-life impacts.

Ron Salk, chairman of the city's Airport Advisory Commission, said a community round table would be a logical extension of a series of public forums sponsored by the airport and held over the course of several months to explain ongoing noise and flight expansion issues.

"I think it's the next best step. It could serve almost as a form of conflict resolution. The new ingredient would be that the airlines themselves would be part of the dialogue," Salk said.

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Date: 3/5/03 1:17AM
Subject: CAA: Airport News, "Airline Passenger Counts Increase at Ontario County, Calif., Airport"

Monday, March 3, 2003

Airline Passenger Counts Increase at Ontario County, Calif., Airport
The Business Press, Ontario, Calif.

Airline passenger counts delivered mixed signals to Inland airports struggling to recover in a soft flyers' market.

Ontario International Airport figures showed 495,341 passengers passed through the its terminals in January, 4.8 percent more than the 472,800 in January 2002, just four months after Sept. 11, but 3.4 percent behind the January high of 512,334 passengers posted in 2001.

"We're cautiously optimistic" about rebounding passenger traffic, Ontario airport spokesman Dennis Watson said. Returning holiday traffic, a ripple from an exceptionally strong December, was a factor in posting healthier numbers compared with early 2001.

December totals at Ontario were up 11.5 percent over December 2001, nearly equal to December 2000 volume.

In 2001, Ontario was on track for its first 7-million-passenger year "when tragedy struck," Watson said. "We're inching our way back."

Ontario finished 2002 with 6.4 million passengers, down 5.3 percent from 6.7 million passengers in 2001 and 6 percent behind 6.8 million passengers in 2000.

Cargo traffic at Ontario in January was 44,987 tons, a 7 percent gain over the same month in 2002.

Palm Springs had 130,564 passengers in January 2003, up 12.9 percent from January 2002 but 9 percent below the 142,294 passengers in January 2001.

"Our seat capacity is still down, with 7 percent fewer seats than in January 2001, 20 percent fewer seats than in January 2000, but that doesn't mean there's a correlation in why numbers were down," Palm Springs airport spokesman Bryant Francis said. Factors like conventions can skew numbers, he said.

In December, city-operated Palm Springs posted passenger gains of 25.3 percent from December 2001, in the wake of Sept. 11 attacks, and 1 percent above December 2000.

Strong December numbers are partly due the end of the Thanksgiving travel weekend falling in December, Francis said.

Airport officials predicted January 2003 will be "the last month off pace from historical statistics" with the additional new flights creating seat

capacity greater than that available in early 2001, Francis said.

Ontario has had no significant change in passenger capacity in the past two years, Watson said.

John Wayne-Orange County Airport in Santa Ana handled 617,319 passengers in January, up 11.7 percent from the 552,496 in January 2002.

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Tuesday, March 04, 2003

LAX growth to get speedy review

ENVIRONMENT: Airport expansion is among six U.S. transportation projects that will be given priority.

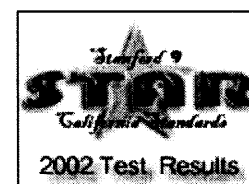
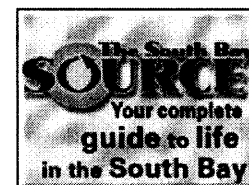
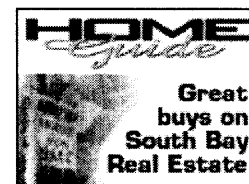
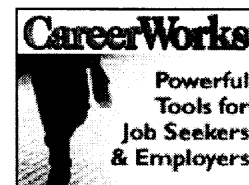
By Ian Gregor
DAILY BREEZE

The federal government will speed up its environmental review of Los Angeles International Airport's proposed \$9 billion expansion, Transportation Secretary Norman Mineta announced Thursday.

The decision will insulate the project from delays when its anticipated environmental effects are scrutinized by agencies such as the Federal Aviation Administration and U.S. Environmental Protection Agency, said Ted Stein, president of the Los Angeles Board of Airport Commissioners, which runs LAX.

LAX's plan was among 70 projects submitted to a Cabinet-level task force for accelerated environmental reviews, which President Bush authorized by executive order last September.

Six were accepted. LAX's was the only airport project that made the list; the others included four highway projects and the effort to rebuild portions of the New York transit system damaged in the 9-11 terrorist attacks.



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"I'm pleased that the Bush administration has recognized the importance of LAX in the global aviation system and the need to expedite safety and security improvements," Mayor James Hahn said in a statement.

LAX's expansion plans will go through separate local and federal environmental reviews. Delays on the federal level could have forestalled the completion of local reviews, Stein said, adding that LAX didn't anticipate any problems.

Hahn said the environmental report on his LAX plan will be released for public review in late spring. He hopes to send it to the Los Angeles City Council for final approval in early 2004.

Hahn's LAX plan strives to protect the airport from a terrorist attack and airfield accidents while keeping the facility at its current theoretical capacity of 78 million annual passengers. It includes new taxiways, wider separation between runways and a central reception facility almost 2 miles east of the airfield where people would park and check in for their flights before boarding a light rail train to the terminals.

Hahn's plan is opposed by most major airlines, which say it offers them few benefits, and by some people in communities around LAX on environmental grounds. Other residents and business people, however, argue that it's a good balance between the needs of communities and commerce.

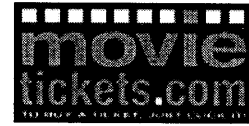
In speeding project reviews, the Bush administration will not sacrifice the environment, Mineta said. Each project will have to comply with the National Environmental Policy Act and other laws, he said.

But Environmental Defense, a 36-year-old New York-based organization with offices in Los Angeles, said speeding up environmental reviews is appropriate only when it's clear that planners have addressed environmental and community concerns.

"The fast-tracking of controversial and potentially harmful projects weakens environmental laws, cuts out public input and prevents consideration of less harmful alternatives," said Michael Replogle, the group's transportation director.



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He said he didn't yet know whether the LAX plan merits an accelerated review.

President Bush's task force selects transportation projects of national or regional significance that could experience review delays and would benefit from federal coordination, according to the U.S. Department of Transportation.

The task force includes the U.S. secretaries of Agriculture, Commerce, the Interior, and Defense, as well as the EPA administrator.

Thursday's announcement brings to 13 the number of projects that the group has selected for accelerated environmental reviews. A proposed expansion of Chicago O'Hare International Airport did not make the cut.

Publish Date: *February 28, 2003*

From: "Stephen Irwin" <stepheni@cwnet.com>
To: "CAA: Airport News" <airport@californiaaviation.org>
Date: 3/1/03 10:58PM
Subject: CAA: Airport News, "Burbank Airport panel mulls terminal deadline"

Saturday, March 1, 2003

Airport panel mulls deadline
Decide on terminal in 60 days
The Pasadena (CA) Star-News

BURBANK -- City leaders said Friday a 60-day deadline set by the FAA for deciding the future of a Burbank- Glendale-Pasadena Airport passenger terminal is unrealistic, but federal officials refused to back down from their ultimatum.

Federal Aviation Administration officials set the deadline in a meeting Wednesday in Washington, D.C., telling delegates from Burbank, Glendale and Pasadena the airport must repay \$46 million if the decision to build a new terminal is not made.

Burbank City Councilman Jef Vander Borght, who discussed the matter with colleagues in closed session Thursday night, dismissed the federal deadline as an empty threat.

"This is not a real ultimatum this will be an ongoing process and this is just one more step along the long climb,' Vander Borght said. "It's completely unrealistic to do anything in 60 days, and we certainly should not do anything in the next 60 days that we may come to regret in the next 60 years.'

But in a telephone interview, FAA officials stood by their demand that the \$46 million the agency gave the airport authority to buy land for the terminal must be repaid if the facility is not built.

"The bottom line of the law is that if the land is not being used, then there must be repayment,' said FAA spokeswoman Marcia Adams.

The Burbank Airport Authority has abandoned plans to build a new terminal in the face of public opposition and has not publicly convened since the FAA ultimatum was given earlier this week.

"The authority would like to continue discussions with (Burbank, Pasadena and Glendale) to see how to move on,' said Airport Authority spokesman Victor Gill.

Burbank residents have voted against a new terminal, fearing more flights would trigger more noise and congestion.

The City Council stipulated it would support a new terminal only if there is a nighttime flight curfew in place. A federal noise study, required before a curfew can be imposed, is still at least a year from completion.

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News

TERRORISM & SECURITY

New checks planned for air travelers

Plan for background checks draw objections from some

ASSOCIATED PRESS

WASHINGTON, Feb. 28 — Civil liberties groups are raising objections to a government plan for a new system that would check background information and assign a threat level to everyone who buys a ticket for a commercial flight.

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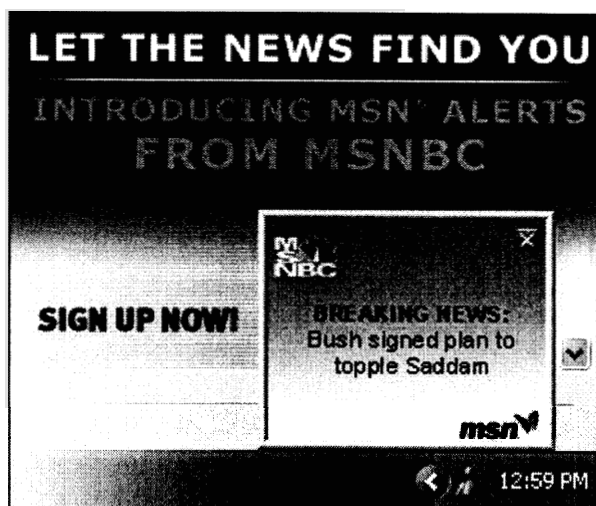
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‘This system threatens to create a permanent blacklisted underclass of Americans who cannot travel freely.’

— **ACLU LAWYER
KATIE CORRIGAN**

ACTIVISTS SEE the potential for unconstitutional invasions of privacy and for database mix-ups that could lead to innocent people being branded security risks.

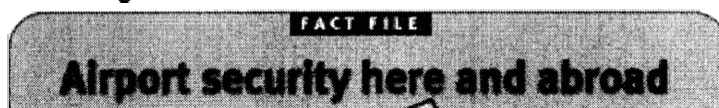
“This system threatens to create a permanent blacklisted underclass of Americans who cannot travel freely,” said Katie Corrigan, a lawyer for the American Civil Liberties Union.

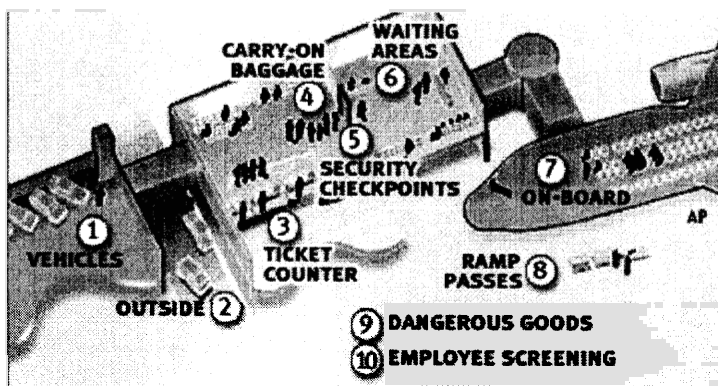
There also is concern that the government is developing the system without revealing how information will be gathered and how long it will be kept.

The system, ordered by Congress after the Sept. 11 attacks, will gather much more information on passengers than has been done previously. Delta Air Lines will try it out at three undisclosed airports beginning next month, and a comprehensive system could be in place by the end of the year.

CONTRACTOR TO BE PICKED SOON

Transportation officials say a contractor will be picked soon to build the nationwide computer system, which will check such things as credit reports and bank account activity and compare passenger names with those on government watch lists.





President Bush signed the Aviation and Transportation Security Act into law on Nov. 19. Many of its provisions will take months or years to implement. In the meantime, here's a look at how U.S. airports have reacted to increased threats of terrorism and how the security of foreign airports compares. **Click on a number above to find out more.**

Source: The Associated Press, MSNBC research
[Printable version](#)

Advocates say the system will weed out dangerous people while ensuring law-abiding citizens aren't given unnecessary scrutiny.

Transportation officials say CAPPS II — Computer Assisted Passenger Prescreening System — will use databases that already operate in line with privacy laws and won't profile based on race, religion or ethnicity.

"What it does is have very fast access to existing databases so we can quickly validate the person's identity," Transportation Secretary Norman Mineta said.

An oversight panel, which will include a member of the public, is being formed. The Transportation Security Administration will set up procedures to resolve complaints by people who say they don't belong on the watch lists.

NOTICE CALLED INACCURATE

Transportation Department spokesman Chet Lunner said a Federal Register notice saying the background information will be stored for 50 years is inaccurate. He said such information will be held only for people deemed security risks.

Jay Stanley, an ACLU spokesman, was skeptical.

"When it says in print, 50 years, we'd like to see something else in print to counter that," he said.

Airlines already do rudimentary checks of passenger information, such as method of payment, address and date the ticket was reserved. The system was developed by Northwest Airlines in the early 1990s to spot possible hijackers.

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Unusual behavior, such as purchasing a one-way ticket with cash, is supposed to prompt increased scrutiny at the airport.

Capt. Steve Luckey, an airline pilot who helped develop the system, said CAPPS II will help discern a passenger's possible intentions before he gets on a plane.

Unlike the current system, in which data stays with the airlines' reservation systems, the new setup will be managed by TSA. Only government officials with proper security clearance will be able to use it.

CAPPS II will collect data and rate each passenger's risk potential according to a three-color system: green, yellow, red. When travelers check in, their names will be punched into the system and their boarding passes encrypted with the ranking. TSA screeners will check the passes at checkpoints.

COLOR-CODED SYSTEM

The vast majority of passengers will be rated green and won't be subjected to anything more than normal checks, while yellow will get extra screening and red won't fly.

Paul Hudson, executive director of the Aviation Consumer Action Project, which advocates airline safety and security, is skeptical the system will work.

"The whole track record of profiling is a very poor to mixed one," Hudson said, noting incorrect profiles of the Unabomber and the Washington-area snipers.

Nine to 11 of the 19 hijackers on Sept. 11 were flagged by the original CAPPS, but weren't searched because the system gave a pass to passengers who didn't check their bags, Hudson said. People without checked bags are now included.



What's on MSNBC TV?

'Hardball,' Tuesday, 9 p.m. ET

- Iraq's cat and mouse missile game continues, and Turkey says 'no' to U.S. troops. Will this derail the White House war plan? Sen. Chuck Schumer, Ralph Reed, and Peggy Noonan talk on war, on "Hardball," 9 p.m. ET

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MSNBC READERS' TOP 10

From: "Stephen Irwin" <stepheni@cwnet.com>
To: <airport@californiaaviation.org>
Date: 2/28/03 5:40AM
Subject: CAA: Airport News, "US landing fees set to soar"

Thursday, February 27, 2003

US landing fees set to soar
Jane's Transport

We are hearing anecdotally that due to lower aircraft traffic volumes, some airports are actually considering increasing their landing fees and terminal rentals by as much as 30% to 40%," says Tom Browne, managing director, for the aviation infrastructure department at the Air Transport Association (ATA).

While only anecdotal evidence that is probably only applicable to a limited number of the hundreds of airports in the US, the fact that traffic is down and fee rises are under consideration still does not bode well for the industry.

With less aircraft in the air, airports still have to cover their fixed operating expenses incurred when running the terminal buildings, runways and related infrastructure. Added to this is the additional expense of improved security measures that the Transportation Security Administration (TSA) is responsible for in 450 of the nation's airports.

The problem with introducing the new TSA measures is that there is little, if any, funding available to pay for these new security systems and staff - despite its being a function of the federal government. Thankfully this may change.

But one problem that it may raise is what collateral can be used to borrow against for those airports that are already close to reaching their maximum debt level. Most of the improved security measures will be hi-tech equipment and employees as opposed to large brick and mortar infrastructure assets.

Agreeing the fee

Once airports have determined what to charge the airlines for landing fees over the course of the next six to 12 month period, the real negotiations begin. But the negotiating leverage of the airline will depend upon the airport that it uses.

An airline representing a significant portion of the flights using one airport terminal, with another hub nearby that is underused, will tend to have much more bargaining power than an airline that is one of many, using an airport with no nearby alternatives. And with time being of the essence, there is a mutual benefit for the two sides to ensure that all paths, however creative, are explored quickly.

There is still substantial excess capacity among the airlines with a significant proportion of the airline industry already in the midst of Chapter 11 proceedings. And with the looming threat of war with Iraq in the Middle East, another external shock is on the way that will further reduce air traffic levels.

It looks like any increase will just be passed onto the airlines that are likely to just add the landing fee increase to passengers' tickets.

Perhaps a more worrying issue for passengers is the proportion of a ticket that federal taxes and other fees already represent. According to ATA statistics, in 1972 it represented 7% of the ticket's total price. In 1992 more than double, at 15%. In 2002, a full 26% of the price. This is a significant portion of the ticket's cost.

It will be interesting to see what the airlines can get away with in this skittish period of air travel.

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The Washington Times

www.washingtontimes.com

TSA proposes database to track all airline passengers

Audrey Hudson
THE WASHINGTON TIMES

Published February 26, 2003

Flight information from all airline passengers, including financial data, can be collected and analyzed under a little-seen regulation proposed by the Transportation Security Administration to track potential terrorists.

The federal government wants to keep information for 50 years on passengers it believes pose threats to national security, while information on other passengers would be stored in a database for the duration of their travel and eliminated after their return trips.

Privacy advocates criticize the TSA proposal as a national database open to abuse, similar to concerns about the Pentagon's Total Information Awareness project, which Congress has put on indefinite hold.

"This is something that ought to be particularly worrisome to the public" said former Rep. Bob Barr, Georgia Republican. "The public focus has been on TIA, while the TSA has been quietly putting together a program that is as potentially just as intrusive."

Mr. Barr, now director of the 21st Chair for Privacy and Freedom at the American Conservative Union, says the proposed changes are outlawed by the very Privacy Act that the department wants to amend.

Chet Lunner, Transportation Department spokesman, said the system will "be deployed much more narrower than the language will lead people to believe at the outset."

The proposal to amend the Privacy Act of 1974 says passengers covered in the system would include those "traveling to, from, or within the U.S. by passenger air transportation; individuals who are deemed to pose a possible risk to transportation or national security, a possible risk of air piracy or terrorism, or a potential threat to airline or passenger safety aviation, civil aviation, or national security."

The information would include "passenger name records and associated data, reservation and manifest information of passenger carriers and, in the case of individuals who are deemed to pose a possible risk to transportation security, record categories may include: risk assessment reports; financial and transactional data; public source information; proprietary data; and information from law enforcement and intelligence sources," the proposal said.

Mr. Lunner calls the proposal "boilerplate language" required to amend the Privacy Act. The "initial proposal," he said, is misleading because the "program will be of much narrower scope than the language might lead people to believe."

"That language is supposed to represent the widest possible use of a system," Mr. Lunner said.

Mr. Barr called the department's defense "nonsense."

"Federal agencies propose widespread regulations because they want widespread regulations. If they want narrowly focused regulations, they are required to submit for public comment a narrowly tailored regulation," Mr. Barr said.

The proposal was printed in the Jan. 15 Federal Register, and the comment period expired Monday. If no comments were received, the listing said, the rules would become effective immediately.

Mr. Lunner said many comments were received and "we will take the comments under consideration and we will republish."

Adm. James M. Loy, TSA undersecretary, will discuss this and other agency initiatives during a press conference today.

The regulations were brought to light yesterday by the Electronic Privacy Information Center, which used the Freedom of Information Act to request more information on the TSA proposal but received no response.

Chris Hoofnagle, deputy counsel for the information center, said the TSA could provide no information on how a passenger would be determined a "possible risk to transportation or national security."

The proposal sets forth a procedure for travelers to obtain information gathered in the database, but does not say how anyone would learn whether they have been categorized as a threat to security.

Those wishing to contest the database information must "clearly and concisely state what information is being contested, the reason for contesting it, and the proposed amendment to the record."

"The request must also contain the requester's full name, current address, and date and place of birth."

The information collected in the system would be safeguarded with limited access and an auditing of all who retrieve the information, the proposal said.

However, nearly a dozen sections of the regulation detail who has "routine use" of the information, including any federal, state, territorial, tribal, local, international or foreign agency with law-enforcement duties or any of a slew of other purposes.

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From: "Stephen Irwin" <stepheni@cwnet.com>
To: "CAA: Airport News" <airport@californiaaviation.org>
Date: 2/27/03 11:05PM
Subject: CAA: Airport News, "Burbank Airport authority execs meet FAA chief"

Wednesday, February 26, 2003

Key issues still up in air
Airport authority execs meet FAA chief
By Bill Hillburg
The Pasadena (CA) Star News

Longtime adversaries in the battle over Burbank Airport made a show of unity Wednesday on Capitol Hill in Washington, D.C., but elicited only vague promises of support in resolving major issues from Federal Aviation Administrator Marion Blakey.

"I would have liked to have seen more concrete responses," said Burbank City Councilman David Golonski. "But we did give a show of unity and I think we got the process rolling to start working a plan for the future of the airport."

Golonski was joined at the closed-door meeting arranged by Reps. Adam Schiff, D-Pasadena, Howard Berman, D-Van Nuys, Brad Sherman, D-Sherman Oaks, and Henry Waxman, D-Los Angeles by officials from Pasadena and Glendale as well as Pasadena Councilman Chris Holden, president of the Burbank-Glendale-Pasadena Airport Authority.

Blakey said she would study requests from the cities, which operate the Burbank-based airport under a joint-powers agreement, to assign an FAA administrator to the planning process and to commit agency resources to expedite completion of a noise study.

She also proposed giving the cities and authority 60 days to make a final decision on building a new terminal. It would replace an aging facility that is only 300 feet from the main runway. FAA rules call for a terminal-runway buffer of at least 750 feet.

Plans for a terminal fell apart late last year amid concerns from Burbank residents who worried that the project could potentially open the way for a surge in flights, triggering more noise, pollution and traffic in their neighborhoods.

Informed of the impasse by Holden, Blakey told him that the authority would have to return more than \$25 million in FAA grants used to buy a terminal site and account for more than \$27 million in passenger fees that were also used to finance the land purchase.

Burbank officials are pressing for a complete noise study, which would map areas most adversely impacted by air traffic, as well as a 10 p.m.-to-7 a.m. ban on all but emergency flights. The airport currently has no flight curfew.

Schiff and city local officials said Blakey's 60-day deadline was unreasonable, given the fact that Burbank would have to hold a special

election on a terminal plan. But Schiff said a basic timetable for future action could be worked out in that time frame.

Glendale Councilman Bob Yousefian expressed confidence that a consensus on the airport could be reached. "The days are gone when there was the impression that people in Glendale and Pasadena didn't care about what happened to people living under the airport flight path in Burbank, North Hollywood and the East (San Fernando) Valley,' he said. "We very much share their concerns.'

"We're not battling over terminals, curfews and noise budgets any more,' said Glendale Councilman Frank Quintero. "We're aware of their problems and we care about them.'

Quintero also noted that the current downturn in the economy and the airline industry had created breathing space for local stakeholders to work on Burbank Airport's future. "When the economy picks up, so will the pressure for more flights,' he said.

Sherman said FAA participation in the plotting the airport's future, a process that would include all local stakeholders, was crucial to the effort. "We don't want to work out a plan and then find out after the fact that it is in violation of FAA rules,' he said.

"I think it was a good, candid meeting,' said Schiff. "The administrator made it clear that there is a limited time to resolve these issues. But I believe we showed her that there is a strong local consensus to work on finding solutions.'

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